

STATE FIRE AND TORNADO FUND
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2008

	May-08				April-08				March-08				December-07				September-07				Current FYTD	Prior Year FY07	3 Years Ended 6/30/2007	5 Years Ended 6/30/2007
	Allocation	Month			Allocation	Month			Allocation	Quarter			Allocation	Quarter			Allocation	Quarter			Net	Net	Net	Net
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR				
LARGE CAP DOMESTIC EQUITY																								
<i>Structured Growth</i>																								
Los Angeles Capital	771,014	2.9%	2.8%	4.75%	746,825	2.8%	2.8%	5.69%	706,526	2.7%	2.8%	-10.91%	653,886	2.8%	2.8%	-1.50%	814,788	2.8%	2.8%	0.38%	-2.48%	21.84%	13.35%	N/A
Total Structured Growth	771,014	2.9%	2.8%	4.75%	746,825	2.8%	2.8%	5.69%	706,526	2.7%	2.8%	-10.91%	653,886	2.8%	2.8%	-1.50%	814,788	2.8%	2.8%	0.38%	-2.48%	21.84%	13.35%	10.94%
Russell 1000 Growth				3.67%				5.25%				-10.18%				-0.77%				4.21%	1.34%	19.04%	8.70%	9.28%
<i>Structured Value</i>																								
LSV	723,879	2.7%	2.8%	0.11%	733,667	2.7%	2.8%	4.74%	700,256	2.7%	2.8%	-9.73%	639,661	2.7%	2.8%	-5.53%	794,356	2.7%	2.8%	-0.89%	-11.38%	23.77%	19.00%	16.55%
Russell 1000 Value				-0.16%				4.87%				-8.72%				-5.80%				-0.24%	-10.18%	21.87%	15.93%	13.31%
<i>Russell 1000 Enhanced Index</i>																								
LA Capital	1,513,614	5.7%	5.6%	3.05%	1,490,604	5.6%	5.6%	5.22%	1,416,322	5.4%	5.6%	-10.22%	1,300,647	5.5%	5.6%	-1.07%	1,622,075	5.6%	5.6%	0.24%	-3.45%	21.27%	13.46%	N/A
Russell 1000				1.83%				5.07%				-9.48%				-3.23%				1.98%	-4.42%	20.43%	12.34%	
<i>S&P 500 Enhanced Index</i>																								
Westridge	1,569,361	5.9%	5.6%	1.42%	1,687,379	6.3%	5.6%	5.00%	1,605,911	6.1%	5.6%	-9.12%	1,457,703	6.1%	5.6%	-3.04%	1,797,676	6.2%	5.6%	2.18%	-4.11%	21.12%	11.98%	N/A
S&P 500				1.30%				4.87%				-9.44%				-3.33%				2.03%	-5.12%	20.59%	11.68%	
<i>Index</i>																								
State Street	510,584			2.19%	544,446			3.91%	523,598			-10.81%	395,674			-6.37%	492,581			-0.80%	-12.02%	21.82%	12.34%	11.08%
Total 130/30	510,584	1.9%	1.9%	2.19%	544,446	2.0%	1.9%	3.91%	523,598	2.0%	1.9%	-10.81%	395,674	1.7%	1.9%	-6.37%	492,581	1.7%	1.9%	-0.80%	-12.02%	21.82%	12.34%	11.08%
S&P 500				1.30%				4.87%				-9.44%				-3.33%				2.03%	-5.12%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	5,088,452	19.1%	18.8%	2.26%	5,202,920	19.4%	18.8%	5.01%	4,952,614	18.8%	18.8%	-9.94%	4,447,571	18.7%	18.8%	-2.89%	5,521,475	19.1%	18.8%	0.62%	-5.51%	21.86%	13.76%	12.22%
S&P 500				1.30%				4.87%				-9.44%				-3.33%				2.03%	-5.12%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY																								
<i>Manager-of-Managers</i>																								
SEI	870,337	3.3%	3.1%	4.05%	876,024	3.3%	3.1%	4.53%	837,840	3.2%	3.1%	-11.46%	757,753	3.2%	3.1%	-6.35%	925,769	3.2%	3.1%	-3.66%	-13.11%	18.39%	13.70%	14.37%
Russell 2000 + 200bp				4.76%				4.35%				-9.43%				-4.09%				-2.60%	-7.51%	18.76%	15.72%	16.16%
<i>Enhanced</i>																								
Research Affiliates	860,215	3.2%	3.1%	4.22%	862,128	3.2%	3.1%	3.13%	836,007	3.2%	3.1%	-6.75%	718,159	3.0%	3.1%	-7.00%	882,681	3.0%	3.1%	N/A	N/A	N/A	N/A	N/A
Russell 2000				4.59%				4.19%				-9.90%				-4.58%				-3.09%	-9.20%	16.44%	13.45%	13.88%
TOTAL SMALL CAP DOMESTIC EQUITY	1,730,552	6.5%	6.3%	4.14%	1,738,152	6.5%	6.3%	3.83%	1,673,847	6.3%	6.3%	-9.17%	1,475,912	6.2%	6.3%	-6.67%	1,808,450	6.2%	6.3%	-4.98%	-12.90%	18.39%	13.70%	14.37%
Russell 2000				4.59%				4.19%				-9.90%				-4.58%				-3.09%	-9.20%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY																								
<i>Large Cap - Active</i>																								
Capital Guardian	1,092,814	4.1%	4.0%	1.42%	1,150,828	4.3%	4.0%	6.80%	1,078,387	4.1%	4.0%	-10.93%	953,779	4.0%	4.0%	-1.23%	1,172,035	4.0%	4.0%	0.61%	-4.12%	25.99%	21.19%	14.89%
LSV	1,083,226	4.1%	4.0%	0.09%	1,074,042	4.0%	4.0%	5.94%	1,016,389	3.8%	4.0%	-12.84%	917,055	3.9%	4.0%	-6.39%	1,189,785	4.1%	4.0%	-3.37%	-16.40%	31.24%	N/A	N/A
Total Large Cap - Active	2,176,040	8.2%	8.0%	0.78%	2,224,871	8.3%	8.0%	6.38%	2,094,776	7.9%	8.0%	-11.87%	1,870,834	7.9%	8.0%	-3.80%	2,361,820	8.2%	8.0%	-1.43%	-10.41%	28.57%	22.95%	18.43%
MSCI EAFE - 50% Hedged				1.26%				6.46%				-12.04%				-2.19%				0.11%	-7.16%	26.94%	22.55%	15.71%
<i>Small Cap - Value</i>																								
DFA	256,149	1.0%	1.0%	2.15%	267,683	1.0%	1.0%	1.65%	263,205	1.0%	1.0%	-3.65%	226,779	1.0%	1.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Lazard	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	289,037	1.0%	1.0%	-3.92%	N/A	21.03%	20.93%	N/A
Total Small Cap Value	256,149	1.0%	1.0%	2.15%	267,683	1.0%	1.0%	1.65%	263,205	1.0%	1.0%	-3.65%	226,779	1.0%	1.0%	-0.64%	289,037	1.0%	1.0%	-3.92%	-4.50%	21.03%	20.93%	N/A
S&P/Citigroup Broad Market Index < \$2BN				2.10%				2.30%				-14.70%				-5.94%				-0.66%	-16.74%	28.58%	26.34%	
<i>Small Cap - Growth</i>																								
Vanguard	250,551	0.9%	1.0%	2.07%	262,142	1.0%	1.0%	2.24%	256,401	1.0%	1.0%	-8.33%	232,138	1.0%	1.0%	-4.84%	282,856	1.0%	1.0%	-1.48%	-10.32%	31.00%	28.08%	N/A
Citigroup Broad Market Index < \$2BN				2.10%				2.30%				-14.70%				-5.94%				-0.66%	-16.74%	28.58%	26.34%	
TOTAL INTERNATIONAL EQUITY	2,682,740	10.1%	10.0%	1.03%	2,754,696	10.3%	10.0%	5.50%	2,614,382	9.9%	10.0%	-10.75%	2,329,751	9.8%	10.0%	-3.97%	2,933,713	10.1%	10.0%	-1.70%	-10.19%	28.02%	23.43%	17.15%
MSCI EAFE - 50% Hedged				1.26%				6.46%				-12.04%				-2.19%				0.11%	-7.16%	26.94%	22.55%	15.71%
DOMESTIC FIXED INCOME																								
<i>Core Bond</i>																								
Western Asset	4,337,030	16.3%	17.1%	-0.65%	4,335,431	16.2%	17.1%	1.45%	4,282,853	16.2%	17.1%	-1.03%	4,140,033	17.4%	17.1%	1.63%	4,773,736	16.5%	17.1%	1.87%	3.28%	7.29%	4.44%	5.64%
Lehman Aggregate				-0.73%				-0.21%				2.17%				3.00%				2.84%	7.21%	6.12%	3.98%	4.48%
<i>Mortgage Backed</i>																								
Hyperion	1,002,502	3.8%	4.4%	-0.47%	1,043,971	3.9%	4.4%	-1.88%	1,095,402	4.1%	4.4%	-7.97%	1,107,425	4.7%	4.4%	-1.00%	1,299,305	4.5%	4.4%	-1.78%	-12.60%	N/A	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				-0.70%				-0.57%				4.18%				3.15%				3.88%	10.22%			
<i>Core Plus/Enhanced</i>																								
Clifton Group	1,280,509	4.8%	4.4%	-0.65%	1,280,118	4.8%	4.4%	-0.73%	1,290,462	4.9%	4.4%	3.69%	1,206,895	5.1%	4.4%	3.99%	1,347,820	4.7%	4.4%	4.41%	11.04%	5.52%	N/A	N/A
Prudential	1,259,155	4.7%	4.4%	-0.28%	1,253,415	4.7%	4.4%	0.50%	1,255,494	4.8%	4.4%	0.95%	1,157,169	4.9%	4.4%	2.45%	1,312,020	4.5%	4.4%	1.95%	5.67%	N/A	N/A	N/A
Total Core Plus/Enhanced	2,539,664	9.6%	8.8%	-0.47%	2,533,533	9.5%	8.8%	-0.12%	2,545,956	9.6%	8.8%	2.35%	2,364,064	10.0%	8.8%	3.23%	2,659,840	9.2%	8.8%	3.18%	8.38%	5.95%	N/A	N/A
Lehman Aggregate				-0.73%				-0.21%				2.17%				3.00%				2.84%	7.21%	6.12%		

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INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2008

	May-08				April-08				March-08				December-07				September-07				Current FYTD	Prior Year FY07	3 Years Ended 6/30/2007	5 Years Ended 6/30/2007
	Allocation	Month			Allocation	Month			Allocation	Quarter			Allocation	Quarter			Allocation	Quarter						
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
Index																								
Bank of ND	2,180,701	8.2%	7.7%	-1.09%	2,190,293	8.2%	7.7%	-0.87%	2,208,635	8.4%	7.7%	2.94%	2,071,045	8.7%	7.7%	3.04%	2,376,300	8.2%	7.7%	3.09%	7.24%	5.45%	2.92%	4.32%
Lehman Gov/Credit (1)				-1.03%				-0.59%				2.53%				3.10%				3.01%	7.13%	6.00%	3.04%	4.35%
BBB Average Quality																								
Wells Capital (formerly Strong)	4,374,143	16.5%	17.1%	-0.95%	4,388,946	16.4%	17.1%	0.55%	4,363,222	16.5%	17.1%	0.36%	4,104,319	17.3%	17.1%	1.98%	4,710,401	16.3%	17.1%	1.48%	3.45%	7.93%	4.86%	6.59%
Lehman US Credit BAA				-0.64%				1.30%				-1.05%				1.90%				1.67%	3.18%	7.54%	4.47%	6.59%
TOTAL DOMESTIC FIXED INCOME	14,434,040	54.3%	55.0%	-0.76%	14,492,174	54.1%	55.0%	0.30%	14,496,068	54.9%	55.0%	0.00%	13,786,886	58.1%	55.0%	2.00%	15,819,582	54.7%	55.0%	1.84%	3.40%	7.11%	3.89%	5.04%
Lehman Aggregate (2)				-0.73%				-0.21%				2.17%				3.00%				2.84%	7.21%	6.12%	4.13%	4.87%
CASH EQUIVALENTS																								
Bank of ND	2,650,143	10.0%	10.0%	0.16%	2,577,897	9.6%	10.0%	0.15%	2,674,215	10.1%	10.0%	0.70%	1,697,622	7.2%	10.0%	0.96%	2,858,914	9.9%	10.0%	1.24%	3.25%	5.36%	4.10%	3.00%
90 Day T-Bill				0.03%				0.11%				0.88%				1.05%				1.34%	3.45%	5.21%	3.78%	2.76%
TOTAL FIRE & TORNADO FUND	26,585,928	100.0%	100.0%	0.42%	26,765,838	100.0%	100.0%	1.91%	26,411,126	100.0%	100.0%	-3.37%	23,737,743	100.0%	100.0%	-0.14%	28,942,134	100.0%	100.0%	0.80%	-0.46%	12.45%	8.08%	8.29%
POLICY TARGET BENCHMARK				0.26%				1.72%				-2.38%				0.64%				1.92%	2.11%	11.30%	7.64%	7.64%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.